

TEACHERS' RETIREMENT BOARD
SUBCOMMITTEE ON CORPORATE GOVERNANCE

SUBJECT: Corporate Governance Pipeline Report

ITEM NUMBER: 5

ATTACHMENT(S): 1

ACTION:

DATE OF MEETING: June 7, 2000

INFORMATION: X

PRESENTER(S): Patrick Mitchell

EXECUTIVE SUMMARY

Since the date of the last Subcommittee on Corporate Governance meeting, staff has received 15 additional communications regarding corporations in its portfolio. A description of each item and response since the January, 2000 Corporate Governance Subcommittee meetings are detailed in the table attached. The latest communications since the previous month are bolded.

Corporate Governance Pipeline Report

Issue Communicated by	Action Requested	Response	Subject	Definition
Letter(s) from public	Divestment	Letter	Resistol Glue	Refers to inhalant abuse of glue by children in Latin America. Resistol is the product name.
Letter(s), e-mails	Divestment	Letter	Tobacco	Refers to tobacco divestiture of CalSTRS investments.
Letter(s) from public	Join lawsuit	Letter	Accounting practices	Refers to the alleged improper accounting measures by Microsoft.
Letter(s) from public	Contact companies	None to date	Copyright	Refers to copyright of music.
Letter(s) from public	Divestment	None to date	Pacific gray whale habit	Refers to salt plant being built in Calif. by Mitsubishi.
Letter(s) from public	Favorable vote	Letter	Slave Labor	Refers to working conditions in China, Lucent and GM.
Phone calls & letter(s) from public	Holdings inquiry	Letter, phone call	Talisman, slave labor, genocide, Sudan	Refers to oil company's labor practices in Sudan.
Letter from teacher	Do not divest	None to date	Tobacco	Refers to CalSTRS Tobacco Holdings.
Letters from public	Change management	Letters	Stock performance	Refers to poor performance of J.C. Penney Co.
Letter from labor union	Change management	Letter	Mismanagement	Refers to unethical business practices at Titan International.

E-mail from public	Change management	Letter	Cutbacks	Refers to IBM layoffs and cutbacks in retirement benefits.
Phone call, letter from public	Support shareholder proposal	None to date	Plutonium	Refers to Duke Energy Corp.'s use of plutonium in its nuclear reactors.
Letters from student organizations, public	Avoid IPO	Letters	Free Tibet	Refers to forthcoming IPO by PetroChina and its operations in Tibet.
Letter from organization	Divestment of non-complying insurance companies	Letter	Holocaust Insurance Claims	Refers to insurance companies unwilling to comply with California's Holocaust Registry law.
E-mail from public	Inquiry	E-mail	Investments	Refers to responsibility for investments at CalSTRS.
Letters from various organizations	Avoid IPO	Letters	Free Tibet	Refers to forthcoming IPO by PetroChina and its operations in Tibet.
Letter from shareholder organization	Support shareholder proposal	None to date	Nuclear energy	Refers to request that G.E. withdraw from its participation in nuclear power.
Letter from shareholder organization	Support proposal on meeting agenda	None to date	Omnibus stock plan	Refers to amendment of long-term incentive plan.
Letters from various organizations, public	Support shareholder proposal	None to date	Plutonium	Refers to Duke Energy Corp.'s use of plutonium in its nuclear reactors.
Letter from pension benefit fund	Support shareholder proposal	None to date	Cumulative voting	Refers to request that Ameren Corp. provide for cumulative voting.
Letters from the public	Divestment	Letters	Tobacco	Refers CalSTRS' holdings in tobacco investments.

Letter from employee organization	Informational	None to date	Labor dispute	Refers to bargaining developments between flight attendants and US Airways.
Letter and e-mails from pension benefit fund, IBM employees	Support shareholder proposal	None to date	Pension and healthcare benefits	Refers to IBM reducing pension and healthcare benefits through a conversion to a cash balance plan.
Letter from United Steel Workers of America	Informational	None to date	Labor dispute	Refers to AK Steel's lockout and contract dispute with its employees.
Letter from employee organization	Informational	None to date	Company lawsuits	Refers to several class action lawsuits by shareholders of Total Renal Care Holding Inc. and a controversial acquisition.
Letter from pension benefit fund	Support shareholder proposal	None to date	Confidential voting	Refers to proposal that Constellation Energy provide for confidential voting.
Letter from United Steel Workers of America	Informational	None to date	Labor dispute	Refers to Oregon Steel labor dispute and removal from S&P MidCap 400 Index.
Letter from Company	Support nominees for Board of Directors	None to date	Performance	Refers to New York City Teachers Retirement System's campaign against management of Louisiana-Pacific Corporation.
Letters from Company	Change management	Letter	Performance	Refers to Wisconsin Energy Corporation's decline in performance and service.
Letter from public	Divestment	Letter	Tobacco	Refers to CalSTRS' holdings in tobacco investments.

Newsletter, new articles, video from United Steel Workers of America	Informational	None to date	Labor dispute	Refers to AK Steel's lock-out of union workers.
Telephone call from public	Do not divest	Telephone call	Tobacco	Refers to CalSTRS' holdings in tobacco investments.
Letter from organization	Support shareholder proposal	None to date	Renewable energy resources	Refers to Pinnacle West Capital Corporation's lack of commitment to renewable energy opinions.
Letter from labor union	Support shareholder proposal	None to date	"Golden parachutes"	Refers to proposal that Maytag Corporation seek shareholder approval of severance or termination pay agreements.
Letters from fellow investor	Support shareholder nominees in board of directors election and shareholder proposal	None to date	Performance	Refers to USG Corporation's stock performance and proposal to rescind its current shareholder rights plan.
E-mail from public	Support shareholder proposal	E-mail	Pension and healthcare benefits	Refers to proposal that IBM allow employees a chance to opt out of its cash balance pension plan and restore equity in medical benefits.
Letter, news articles from labor union	Informational	None to date	Court decision on free-lancers	Potential liabilities of The New York Times and other media companies resulting from landmark lawsuit won by free-lance writers.
News articles from shareholders	Informational	None to date	Genetically modified foods	Refers to growing concerns of genetically modified foods and Kellogg.